

ILL. C. C. DOCKET NO. 00-0657STAFF Exhibit No. 1STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

Witness \_\_\_\_\_

Date 10-17-00 Reporter SLBGALLATIN RIVER COMMUNICATIONS L.L.C.,  
(GALLATIN RIVER) and NCPR, INC. (dba NEXTEL PARTNERS

00-0657

Joint Petition for Approval of Negotiated Interconnection  
and Reciprocal Compensation Agreement effective  
September 1, 2000 pursuant to 47 U.S.C. § 252VERIFIED STATEMENT OF A. OLUSANJO OMONIYIINTRODUCTION

My name is A. Olusanjo Omoniyi and I am employed by the Illinois Commerce Commission as a Policy Analyst in the Telecommunications Division. I graduated from Southern Illinois University at Carbondale with a Bachelor of Arts degree in Cinema & Photography and Bachelor of Science degree in Radio-Television in 1987. In 1990, I obtained a Master of Arts degree in Telecommunications and a Juris Doctor in 1994 also from Southern Illinois University at Carbondale. Among my duties as a Policy Analyst is to review negotiated agreements and provide a recommendation as to their approval.

SYNOPSIS OF THE AGREEMENT

The instant agreement between GALLATIN RIVER COMMUNICATIONS L.L.C. ("GALLATIN RIVER") AND NCPR, INC. ("NCPR"), dated September 20, 2000, is effective from September 1, 2000 until August 30, 2001. The Agreement will remain in force and effect on a month-to-month basis until and unless terminated by one of the parties pursuant to the terms of the Agreement. Also, this agreement establishes the

financial and operational terms for: networks on mutual and reciprocal compensation; unbundled access to Gallatin River's network elements, including Gallatin River's operations support systems functions; physical collocation; number portability; resale; and a variety of other business relationships.

## **STANDARD OF REVIEW**

The purpose of my verified statement is to examine the agreement based on the standards set forth in section 252(e)(2)(A) of the 1996 Act. Specifically, this section states:

The State commission may only reject an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that:

- (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
- (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.

## **Approval under Section 252(e)**

### **A. Discrimination**

The first issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it discriminates against a telecommunications carrier that is not a party to the agreement.

Discrimination is generally defined as giving preferential treatment. In previous dockets, Staff has taken the position that in order to determine if a negotiated agreement is discriminatory, the Commission should determine if all similarly situated carriers are allowed to purchase the service under the same terms and conditions as

provided in the agreement. I recommend that the Commission use the same approach when evaluating this negotiated agreement.

A carrier should be deemed to be a similarly situated carrier for purposes of this agreement if telecommunications traffic is exchanged between itself and GALLATIN RIVER for termination on each other's networks and if it imposes costs on GALLATIN RIVER that are no higher than the costs imposed by NCPR. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this contract, then this contract should not be considered discriminatory. Evaluating the term discrimination in this manner is consistent with the economic theory of discrimination. Economic theory defines discrimination as the practice of charging different prices (or the same prices) for various units of a single product when the price differences (or same prices) are not justified by cost. See, Dolan, Edwin G. and David E. Lindsey, Microeconomics, 6<sup>th</sup> Edition, The Dryden Press, Orlando, FL (1991) at pg. 586.

I have no reason to conclude that the agreement is discriminatory. Also, Section 252(i) of the 1996 Act allows similarly situated carriers to enter into essentially the same contract.

## **B. Public Interest**

The second issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it is contrary to the public interest, convenience, and necessity. I recommend that the Commission examine the agreement on the basis of economic efficiency, equity, past Commission orders, and state and federal law to determine if the agreement is consistent with the

public interest.

In previous dockets, Staff took the position that negotiated agreements should be considered economically efficient if the services are priced at or above their Long Run Service Incremental Costs ("LRSICs"). Requiring that a service be priced at or above its LRSIC ensures that the service is not being subsidized and complies with the Commission's pricing policy. All of the services in this agreement are priced at or above their respective LRSICs. Therefore, this agreement should not be considered economically inefficient.

I have no reason to conclude that this agreement is contrary to the public interest and nothing in this agreement leads me to the conclusion that the agreement is inequitable, inconsistent with past Commission Orders, or in violation of state or federal law. Therefore, I recommend that the Commission approve the agreement subject to the implementation requirements of the next section.

## **IMPLEMENTATION**

In order to implement the GALLATIN RIVER-NCPR agreement, the Commission should require GALLATIN RIVER to, within five (5) days from the date the agreement is approved, modify its tariffs to reference the negotiated agreement for each service. Such a requirement is consistent with the Commission's Orders in previous negotiated agreement dockets and allows interested parties access to the agreement. The following section of GALLATIN RIVER's tariffs should reference the GALLATIN RIVER-NCPR agreement: Agreements with Telecommunications Carriers (ICC No. 2 Section 16 ).


In addition, in order to assure that the implementation of the Agreement is in public interest, GALLATIN RIVER should implement the Agreement by filing a verified statement with the Chief Clerk of the Commission, within five (5 ) days of approval by the Commission, that the approved Agreement is the same as the Agreement filed in this docket with the verified petition; the Chief Clerk should place the Agreement on the Commission's web site under Interconnection Agreements.

For the reasons set forth above, I recommend that the Commission approve the agreement under Section 252(e) of the 1996 Act.

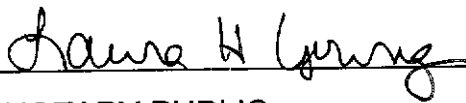
VERIFICATION

STATE OF ILLINOIS           )  
  ) SS  
COUNTY OF SANGAMON       )

I, A. Olusanjo Omoniyi, do on oath depose and state that if called as a witness herein, I would testify to the facts contained in the foregoing document based upon personal knowledge.

  
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SIGNED AND SWORN TO BEFORE ME THIS 16<sup>th</sup> DAY OF  
October, 2000.

  
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NOTARY PUBLIC

